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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

August 20, 1952

1952 Peanut Memo No. 45

To: PMA State Chairmen: North Carolina, Virginia, South
Carolina, Georgia, Alabama, Florida, Texas and
Oklahoma

From: Richard B. Bridgforth, Acting Assistant Administrator
for Production

Subject: 1952 Peanut Crop

It is requested that your Office furnish us with the following information to be mailed not later than September 5, 1952:

1. Peanut Acreage actually allotted to individual farms in your State for 1952.
2. Estimated percentage of the peanut acreage allotted to individual farms in your State which was planted. This item should be estimated without regard to acreage planted in excess of farm allotments. For example: If 10 farms were each allotted 10 acres (total of 100 acres) and 8 farms each planted 10 acres, one farm planted 20 acres and the remaining farm did not plant any acres, the percentage of allotted acres planted would be 90 percent. Although 100 acres were planted as compared with 100 acres allotted, one farm planted 10 acres in addition to its allotment and one farm did not plant any of its allotment.
3. Estimated acreage of peanuts which will be harvested for nuts on farms producing one acre or less and for which no individual farm allotments were established.
4. Estimated total acreage of peanuts to be harvested for nuts within farm acreage allotments including acreage on farms producing one acre or less in your State in 1952. (If different than Item 1 times Item 2 plus Item 3, please give basis for your estimate.)
5. Your best estimate of peanut yield prospects in your State

2- PMA State Committees

as a result of changes in weather conditions since August 1, and also your opinion regarding possible quality of the crop, including sound mature kernel content, damage, etc..

This report has been approved by the PMA Reports Committee and has been assigned Report Control No. FO-53RS.

B. J. [illegible]

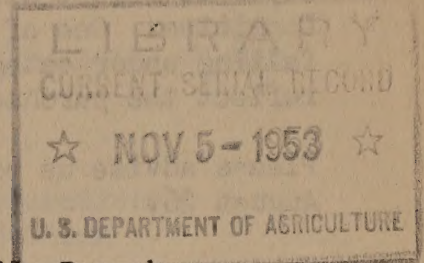
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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

1952 PEANUT MEMO NO. 46

August 20, 1952



To: Chairman, State PMA Committee
Peanut-Producing States

From: George L. Prichard, Director, Fats and Oils Branch

Subject: Forms MQ-94 in Lieu of Forms MQ-93 Under Certain
Types of Marketings

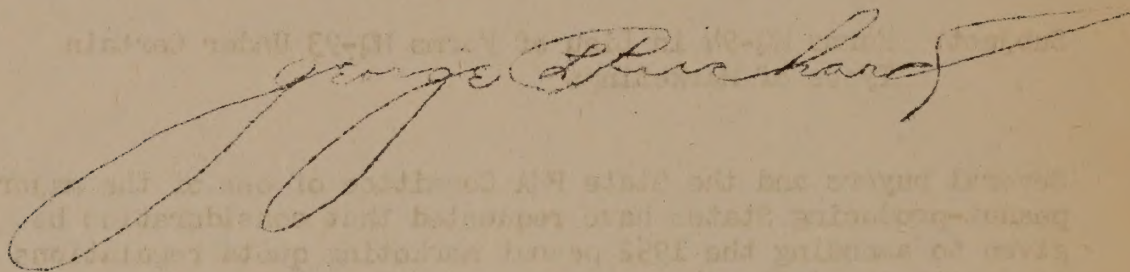
Several buyers and the State PMA Committee of one of the major peanut-producing States have requested that consideration be given to amending the 1952 peanut marketing quota regulations to permit the following:

- (1) That the original of the Form MQ-94-Peanuts (1952) (Section II having been executed by the buyer) be acceptable as a report of sale in lieu of the Form MQ-93 in those instances where the peanuts are being delivered for the account of the Cooperative.
- (2) That the original of the Form MQ-94-Peanuts (1952) (Section II having been executed by the buyer) be acceptable as a report of sale in lieu of the Form MQ-93 in those instances when the peanuts are inspected by Federal-State Inspection Service and are being purchased by the buyer for his own account.
- (3) That the original of the Form MQ-93-Peanuts (1952), Memorandum of Sale, be required as the report of the sale in all instances where
 - (a) the peanuts are not inspected and graded by the Federal-State Inspection Service, and
 - (b) the peanuts are marketed and a marketing quota penalty is due.

Page 2-Chairman, State PMA Committee

Under these recommendations no change would be necessary regarding the use of Form MQ-79. Separate Forms MQ-79 would be used by the buyer to report all purchases during the week to the State PMA Committee. One of the reports would reflect the total purchases falling under category (1) above, whereas the other report would reflect the purchases falling under both categories (2) and (3).

Please advise us concerning this proposal by not later than August 26.



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.



1952 Peanut Memo. No. 47

August 20, 1952

To: Chairmen, PMA State Committees, Peanut Producing States
Directors, PMA Commodity Offices
Peanut Cooperative Associations

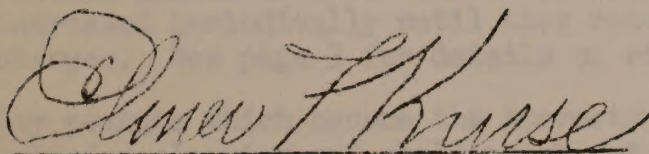
From: Assistant Administrator for Commodity Operations
Acting Assistant Administrator for Production

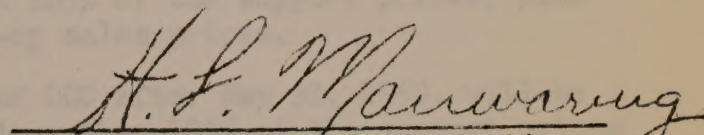
Subject: Information Leaflet, "Price Support for 1952 Crop Peanuts"

Attached are copies of the above entitled 6-page leaflet which has been prepared for distribution to peanut producers. It explains briefly the four methods by which a producer can get price support for his 1952 crop peanuts and shows the approximate amount he would get for a ton of base grade SW Spanish peanuts under each method.

In general, shellers and others who buy 1952 crop farmers stock peanuts will have to buy them from the producers or from the co-op. Therefore, the leaflet outlines the minimum price at which the co-ops will sell peanuts, so that the producers will know how much shellers and other buyers will have to pay the co-ops for peanuts. It explains that farmers are free to sell their peanuts anywhere they choose but points out that they should not sell for less than the support price because buyers will have to pay the co-ops more than the support price.

It will be necessary for the State office to duplicate a supply of the leaflets for distribution throughout the State. Attached also are additional sets of pages 4, 5, and 6 of the leaflet which contain examples for SE Spanish, Runner, and Virginia types of peanuts. These examples have been prepared so that the State may duplicate and distribute leaflets for the types of peanuts most widely produced in any area. Pages 1, 2, and 3 will be the same for all leaflets. The detailed calculation of the minimum prices at which co-ops can sell peanuts may be omitted if desirable.


Asst. Adm. for Commodity Operations


Acting Asst. Adm. for Production

Attachments

PRICE SUPPORT

FOR 1952 CROP PEANUTS

How can a farmer get price support for his 1952 crop peanuts?

1. He can obtain a farm storage loan, or
2. He can market his peanuts through the peanut growers cooperative, or
3. He can sign a purchase agreement, or
4. If the cooperative is not operating in the area, he can obtain a warehouse storage loan.

What is the final date on which the farmer can obtain price support through any one of the above methods?

JANUARY 31, 1953.

The different methods of price support and the amount which a producer may obtain for a ton of base grade peanuts under each method are explained in this leaflet.

All producers should make every effort to understand the new program.

Ask for detailed information at your county PMA office.

ANY FARMER MAY SELL HIS PEANUTS AT ANY PRICE TO ANY SELLER OR OTHER BUYER

However, farmers should not sell their peanuts for less than full support prices, because all buyers will have to pay not less than support prices, plus charges, for peanuts purchased from the co-op before January 1, 1953. Minimum prices at which the co-op will sell peanuts after that date will be increased periodically until they reach 105% of the support prices, plus charges. See page 3 for details on co-op sales prices.

Any peanuts which become the property of CCC after May 31, 1953, will be sold for cleaning and shelling at not less than 105% of the support prices plus carrying charges.

PEANUT PRICE SUPPORT SCHEDULE

Base grade support prices per ton for the various types and grades are:

Virginia type, 65% SMK... \$231.00	Southeast Spanish, 70% SMK ... \$236.00
Runner type, 65% SMK 215.00	Southwest Spanish, 70% SMK ... 232.00

The premiums and discounts are as follows:

<p><u>Sound mature kernels.</u> For each 1% SMK above or below the base grade the premium or discount, whichever is applicable, is:</p> <p>Virginia type \$3.60 ton Runner type 3.30 ton Southeast Spanish type 3.40 ton Southwest Spanish type 3.30 ton</p>	<p><u>Foreign material.</u> The discount for each full 1% foreign material in excess of 4% and not over 10% is \$1.00 per ton, and in excess of 10% and not over 15% is \$2.00 per ton.</p> <p><u>Extra large kernels.</u> For Virginia type peanuts the premium for each full 1% extra large kernels in excess of 15% is \$1.25 per ton.</p>
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Damaged kernels. The discounts per ton for damage in excess of 1% are:

Peanuts containing damaged kernels of:	Spanish			
	Virginia	Runner	Southeast	Southwest
2%	\$3.60	\$3.30	\$3.40	\$3.30
3%	7.20	6.60	6.80	6.60
4%	14.40	13.20	13.60	13.20
5%	21.60	19.80	20.40	19.80
6%	35.00	35.00	35.00	35.00
7%	55.00	55.00	55.00	55.00
8% and over ...	120.00	120.00	120.00	120.00

Support price for Valencia type peanuts containing less than 25% discoloration and damage caused by cracked or broken shells, is the same as the support price for Virginia type peanuts of the same grade, except that no premium is applicable for extra large Valencia kernels. For other Valencia type peanuts the support price will be the same as that for Spanish peanuts of the same grade in the same area.

PEANUTS ELIGIBLE FOR PRICE SUPPORT

Are farmers stock quota peanuts of the 1952 crop which contain 15% or less foreign material, 7% or less damaged kernels ¹/₂, and 10% or less moisture; and are free and clear of all liens and encumbrances (or all such liens and encumbrances are properly waived).

The beneficial interest in the peanuts must be in the producer who offers them for loan or purchase, and must always have been in him or in him and a former producer whom he succeeded before the peanuts were harvested.

¹/₂ Peanuts eligible for price support except for the fact that they contain more than 7% damaged kernels may be marketed through the co-op at a price which will approximate the estimated average oil price.

PRODUCERS ELIGIBLE FOR PRICE SUPPORT

Are producers on whose farms the farm peanut acreage does not exceed the farm allotment or one acre, whichever is larger, or

Producers on a farm for which a within quota marketing card is issued to the operator after he signs the agreement on form MQ-92.

APPROVED STORAGE

Farm or warehouse storage loans will be made only on peanuts in approved storage.

Storage buildings for peanuts placed under farm storage loans must be approved by the county committee. They must be dry, well-ventilated, substantial and permanent enough to afford safe storage. Producers are required to keep the buildings in good repair and the peanuts in good condition. Producers who provide storage on their own farms will save the warehouse charges and have the buildings for storing other crops as well as peanuts in future years.

Warehouses approved for warehouse storage loans are warehouses under contract with CCC. Their warehouse receipts, CCC Peanut Form 30, also will be accepted for commingled peanuts delivered under purchase agreements.

Warehouses approved as delivery points for peanuts marketed through the co-op are warehouses under contract with the co-op.

REASONS FOR CHANGING THE PEANUT PROGRAM IN 1952

The 1952 national peanut allotment and marketing quota have been reduced in line with anticipated edible demand. Therefore, it is desirable that price support be made available in a manner which will permit producers, either individually or as members of a co-op, to retain control of their peanuts and be in a position to take advantage of any price increases which may occur throughout the marketing season, and before the peanuts become the property of CCC through forfeiture of loan collateral or sale under a purchase agreement. The 1952 peanut program is similar to the price support programs which have been in effect on other basic crops for many years.

Through the loan program, the producer may obtain the support price (less certain charges) for his peanuts as soon after harvest as he places them under loan. Then if the price goes up, he can pay off his loan and sell his peanuts in the market place to the buyer who pays the highest price.

The producer who markets his peanuts through the co-op will receive the support price (less certain charges) at the time he delivers the peanuts to the co-op warehouse, and he also authorizes the co-op to act as his agent in selling the peanuts. All sales by the co-op must be at or above certain minimum prices. Any net profits made by the co-op will be distributed to the producers from whom it receives peanuts.

A producer who signs a purchase agreement knows that he can sell his peanuts to CCC after May 31, 1953, at the support price (less certain charges). Therefore, he has, in effect, a guaranteed floor price below which he need not sell to any other buyer in the market place.

**Support Price and Assumed Grade Factors for One Ton Base Grade SW Spanish
Peanuts Used in Examples in This Leaflet**

Sound mature kernels	70%	Support price per ton	\$232.00
Damaged kernels	1%		
Foreign material	3%	Support price per pound	11.6 cents
Moisture	7%		

In determining the net weight of a lot of peanuts, a deduction is made for moisture in excess of 7%.

The price support schedule provides for premiums or discounts for SMK above or below 70%, and discounts for damaged kernels in excess of 1% and foreign material in excess of 4%.

FARM STORAGE LOAN

I. To obtain a loan the producer will:

1. Store his peanuts in an approved building on his own farm or at some other location,
2. Sign a note and chattel mortgage at the county office and
3. Either obtain his money from his local bank or other lending agency operating under an agreement with CCC, or obtain a sight draft on CCC from the county committee.

II. The amount which the producer would get for a ton of base grade peanuts is \$207.19 computed as follows:

Estimated gross weight.	2,000 lbs.
Less 5% safety factor	100
Adjusted estimated gross weight	1,900
Less 3% foreign material.	57
Estimated net weight.	1,843
Price support value (1,843 lbs. @ 11.6¢).	\$213.79
Deductions:	
Service charge (30¢ per ton with a \$3.00 minimum).	\$3.00
Federal-State inspection fee (\$3.60 per sample).	3.60
Amount of loan to producer.	6.60
	\$207.19

III. The producer may choose either of the following methods of liquidation:

1. He may pay off the loan and redeem his peanuts at any time before maturity (May 31, 1953) or before delivering the peanuts to CCC after maturity. After the loan is paid, he may sell the peanuts or dispose of them as he chooses.
 2. He may deliver the peanuts to CCC after maturity. Final settlement will be made at the price support value of the quantity and grade of peanuts delivered. The county committee will pay the producer any amount CCC owes him at time of settlement. If the price support value of the peanuts delivered is less than the amount of the loan, the producer must pay CCC the difference.
-

PEANUTS MARKETED THROUGH THE CO-OP

The producer will take his peanuts and his within-quota marketing card to the co-op warehouse. A Federal-State inspector will grade the peanuts and the warehouseman will weigh them and issue the producer a draft on the co-op.

For a ton of base grade peanuts the producer would receive a draft in the amount of \$210.11 computed as follows:

Actual gross weight . . . 2,000 lbs.	Price support value (1,940# @ 11.6¢ . . \$225.04
3% foreign material . . . 60	Deductions:
Net weight. . . 1,940 lbs.	Service charge (15¢ ton) . . \$.15
	F-S insp. fee (\$1.50 ton). . . 1.50
	Storage (\$3.15 per ton) . . . 3.15
	Allowance for shrinkage
	\$4½% x \$225.04)*. 10.13
	Amount of draft to producer <u>\$210.11</u>

The co-op, acting as agent for all producers from whom it receives peanuts, will store and handle the peanuts and sell as many as possible through the regular channels of trade. The producer will receive his pro rata share of any net profits made by the co-op from the sale of peanuts.

Price Determination for Peanuts Sold by Co-op

The co-op's minimum price for the above peanuts stored for 3 months and sold before January 1, 1953, on an out-grade, out-weight basis would be approximately \$247.59 which is based on the following price support value and assumed charges:

100% of the price support value.	\$225.04**
Handling in and handling out charges (\$4.50 per ton)	4.50
Federal-State inspection fee "in" and "out" (\$3.00 per ton).	3.00
Storage (estimated 3 months @ 45¢ per ton per month)	1.35
Shrinkage allowance	10.13
Interest (\$225.04 x 3½% for 3 months)	1.97
Insurance (est. 20¢ per ton per month for 3 months)60
Administrative expenses (estimate \$1.00 per ton)	1.00
Estimated minimum sales price per ton before January 1, 1953	<u>\$247.59</u>

* The allowance is computed on the basis of 95½% of the support value for peanuts containing 3% or less foreign material at the time of receipt by the co-op, 95% of the support value for peanuts containing 4%, 5%, or 6% foreign material, and 94½% of the support value for peanuts containing 7% or more foreign material. Shrinkage will be computed on an average basis in determining the minimum sales price for the cooperative.

** In the above calculation, the price support value will be increased as follows: In January 1953, 101 percent of the support value; in February, 103 percent; in March, April and May, 105 percent.

The price of peanuts sold on an in-weight, in-grade basis will be reduced by the amount of the Federal-State inspection fee "out" and the shrinkage allowance.

SOUTHWEST SPANISH TYPE PEANUTS

PURCHASE AGREEMENT

A purchase agreement is an agreement by CCC to purchase a specified quantity of merchantable farmers stock peanuts from the producer after May 31, 1953. The producer gets no money at the time he signs a purchase agreement at the county office, and he does not obligate himself to sell any peanuts to CCC. He may market his peanuts as he chooses.

Any producer who has signed a purchase agreement and wants to sell his peanuts to CCC must notify the county office during the period May 2 through May 31, 1953 (or earlier period approved by the President, CCC). He must deliver the peanuts, or acceptable warehouse receipts for commingled peanuts, as instructed by the county committee. The county committee will issue a CCC sight draft to the producer in payment for the peanuts. CCC's offer to purchase peanuts does not extend to persons other than the producer. Therefore, the agreements are not assignable or transferable.

The amount which a producer would get for a ton of base grade peanuts sold to CCC under a purchase agreement is \$222.04 computed as follows:

Actual gross	Price support value (1,940# @ 11.6¢)	\$225.04
weight . . . 2,000 lbs.	Deductions:	
3% foreign	Service chg. (15¢ ton; \$1.50 min)	\$1.50
material . . . 60	Fed-State insp. fee (\$1.50 ton)	1.50 3.00
Net weight . . . 1,940 lbs.	Amount received by producer	\$222.04

WAREHOUSE STORAGE LOAN
(Commingled Peanuts)

- I. In areas served by warehouses under contract with CCC, the producer can:
 1. Store his peanuts in the warehouse and get a warehouse receipt,
 2. Sign a note and loan agreement at the county office, and
 3. Either obtain his money from his local bank or other lending agency operating under an agreement with CCC, or obtain a sight draft on CCC from the county committee.

- II. The amount which the producer would get for a ton of base grade peanuts is approximately \$207.36 computed as follows:

	Price support value (1,940# @ 11.6¢)	\$225.04
	Deductions:	
Actual gross	Storage (65¢ ton per mo., 7 mos.)	\$ 4.55
weight . . . 2,000 lbs.	Shrinkage allow. ($4\frac{1}{2}\%$ x \$225.04)*	10.13 14.68
3% foreign	Amount of loan	\$210.36
material . . . 60	Other deductions:	
Net weight. . . 1,940 lbs.	Service chg. (15¢ ton; \$1.50 min.)	\$1.50
	Fed-State insp. fee (\$1.50 ton)	1.50 3.00
	Amount received by producer	\$207.36

- III. The producer may either ---
 1. Pay off his loan at any time before May 31, 1953, and thereby redeem his warehouse receipts and dispose of his peanuts as he chooses, or
 2. Forfeit his peanuts by failing to repay his loan, and CCC will accept delivery from the warehouseman on the basis of the warehouse receipts.

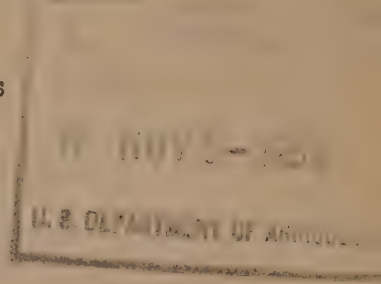
* The allowance is 5% of the support value for peanuts containing 4%, 5%, or 6% foreign material, and $5\frac{1}{2}\%$ for peanuts containing 7% or more foreign material.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.
August 22, 1952

1952 PEANUT MEMO NO. 48

To: Chairman, State PMA Committee, Peanut-Producing States
From: Acting Assistant Administrator for Production
Subject: Erroneous Notice of 1952 Farm Peanut Acreage



Several States have requested instructions concerning the following situation:

After the picking or threshing of peanuts on a farm is completed, it is discovered that the picked and threshed acreage for 1952 exceeds the farm allotment (or one acre if the farm allotment is less than one acre), because the farm operator received an erroneous notice in writing regarding (1) the number of acres planted to peanuts on the farm, or (2) the farm peanut acreage.

In each such case, a statement of all the facts and circumstances causing the error and the county committee's recommendations shall be referred to the State Committee. Upon recommendation of the county committee and approval by the State Committee, the 1952 farm peanut acreage shall be considered to be an acreage equal to the larger of one acre or the 1952 farm allotment, if all of the following conditions are met:

- (1) The incorrect notice was the result of an error made by the performance reporter or by an employee of the county office in reporting, computing, or recording peanut acreages for the farm;
- (2) The county committee finds that neither the farm operator nor any producer on the farm was in any way responsible for the error; and
- (3) The extent of error in the erroneous notice was such that the farm operator would not reasonably be expected to question the acreage of which he was erroneously notified.

In each case where the 1952 farm peanut acreage is adjusted as provided in this memorandum, the performance report and other county office records shall be changed to reflect the adjusted 1952 peanut acreage for the farm. The total peanut acreage on the performance report shall be circled and the adjusted acreage entered beside the circled acreage, followed by the notation "Erroneous Notice of 1952 Acreage." A copy of the statement of facts approved by the State Committee shall be attached to the performance report.

Robert Braddy Smith

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

August 25, 1952

1952 PEANUT MEMO NO. 49

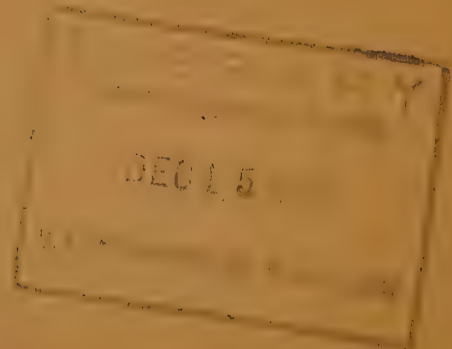
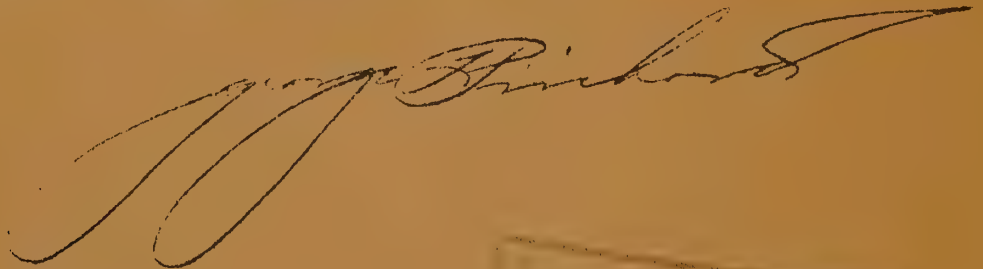
To: Chairman, State PMA Committee, Peanut-Producing States
From: George L. Prichard, Director, Fats and Oils Branch
Subject: Farm Storage Loans

A question has been raised concerning the first paragraph on page 2 of Instruction No. 722 (Peanuts-52)-1, which includes the following:

"A producer need not place under farm storage loan all of the peanuts he produces in 1952 but the loan must cover all of the peanuts stored in one structure."

If a storage structure consists of two or more storage bins and such structure is approved by the county committee in accordance with Section 646.412(a) of Instruction No. 721 (Peanuts-52)-1, the peanuts in one or more of the bins may be placed under a farm storage loan without placing the peanuts in the other bins in the structure under farm storage loans. For example, a producer may want to divide the storage structure on his farm into two separate bins and store his seed peanuts in one bin and the peanuts he intends to place under loan in a separate bin; or a producer may desire to secure a farm storage loan on his peanuts that are stored in a bin in a warehouse located off the farm that also contains in separate bins peanuts that will not be placed under farm storage loan.

Instruction No. 722 (Peanuts-52)-1 is being amended to conform with this memorandum.



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Washington 25, D. C.

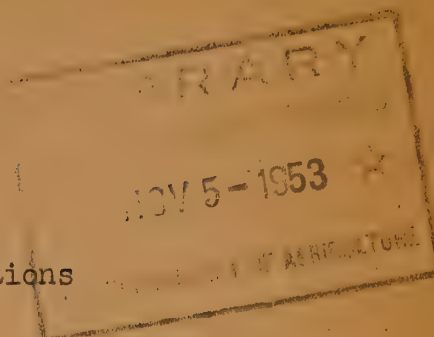
September 5, 1952

1952 PEANUT MEMO NO. 50

To: Chairman, State PMA Committee
Peanut-Producing States

From: Robert M. Walsh, Acting Director
Fats and Oils Branch

Subject: 1952 Peanut Marketing Quota Instructions



Enclosed are several copies of the following instructions:

<u>Instruction No.</u>	<u>Title</u>
1026 (Peanuts-52)-1, Amendment 3	Marketing Quota Regulations for 1952 Crop of Peanuts
1026 (Peanuts-52)-2, Aux 2	Marketing Quota Instructions for County Office - Peanuts of the 1952 Crop
1026 (Peanuts-52)-3, Aux 2	Marketing Quota Instructions for State Office - Peanuts of the 1952 Crop
1026 (Peanuts-52)-4, Aux 2	Instructions for Persons Who Buy or Otherwise Acquire Peanuts of the 1952 Crop

A full supply of these instructions will be forwarded to you within the next two weeks.

Robert M. Walsh

Enclosures

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United States Department of Agriculture
Production and Marketing Administration
Washington 25, D. C.

1952 Peanut Memo No. 51

September 15, 1952

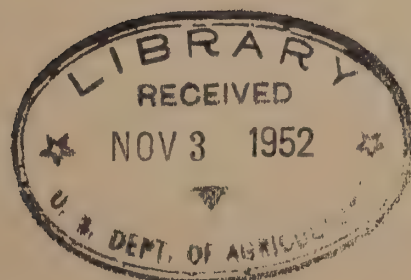
To: Chairmen, State PMA Committees, Peanut
Producing States

From: Assistant Administrator for Production

Subject: Lists of Peanut Producers

On several occasions, we have discussed with the peanut cooperatives and various State PMA Office personnel the advisability of authorizing the State Committees to furnish the names and addresses of peanut producers to the cooperatives. The cooperatives have indicated a desire for such a list in order that they may keep producers informed through the cooperative papers of their position in the price support program. They also feel that it would be helpful to keep the producer informed currently of the status of the cooperative's operations under the program.

This memorandum authorizes the State Committees to furnish such lists of peanut producers in their States to peanut cooperatives if, in their judgment, it is desirable to issue this information. State PMA Committees should furnish this information only after receipt of request from the peanut cooperative.

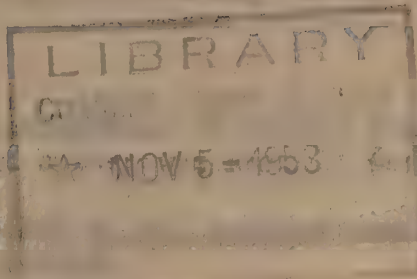


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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Fats and Oils Branch
Washington 25, D. C.



1952 Peanut Memo No. 52

September 11, 1952

To: Chairman, PMA State Committees, Peanut-Producing States
From: George L. Prichard, Director, Fats and Oils Branch
Subject: The Council of Peanut Users Maps Plans for War of Survival

The following article is quoted for your information from the September 1952 issue of PEANUT JOURNAL AND NUT WORLD:

"The Council of Peanut Users, manufacturers of edible peanut products, held its first meeting at the LaSalle Hotel in Chicago on August 5 to map plans for a war of survival.

Council members, who support their contention with facts and figures, insist they 'are being priced out of business' by federal government interference in peanut production.

They maintain that peanuts are a false basic-food commodity and that subsidized agriculture, as it applies to the peanut industry, is economically unsound, especially for the peanut farmer, 'who is trading his freedom for artificially high prices and government subsidy and is losing markets--perhaps permanently.

The consumer suffers, too, since he (and she) are being short-changed in the purchase at artificially high prices of salted peanuts, peanut butter and peanut candies, council spokesmen contend.

The big guns of the council's offensive will blast away at the proposition that peanuts must be changed from a basic to a non-basic status. The guns will be loaded with the objective findings of agricultural economists who are unanimous in the conclusion that (1) peanuts are not a basic commodity, and (2) that continued subsidy will destroy the peanut market.

EDUCATION PROGRAM

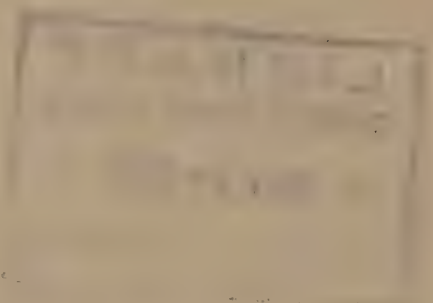
The Council's public education program will be directed to Congress, the peanut growers and to the consumer--the general public. The public education campaign will be directed by Theodore R. Sills & Company, public relations counsel.

William K. Kuehn, treasurer and chairman of the Chicago meeting, cited the following Department of Agriculture figures to show the council's right is one of survival:

In the manufacture of candy, the use of peanuts in 1950-1951 was off 39 percent compared to such use in 1944-1945.

Production and Marketing Administration
Fats and Oils Branch
Washington 25, D. C.

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2-20



Chairman, FMA State Committees, Peanut-Producing States

The Council of Peanut Users Maps Plans for War of Survival

Subject:

The following article is published in the January 1942 issue of the National Peanut Magazine.

The Council of Peanut Users, a branch of the National Peanut Magazine, has issued a call for action to the peanut growers of the United States.

It is the duty of every peanut grower to take action to protect his crop from the ravages of the war.

The Council of Peanut Users has issued a call for action to the peanut growers of the United States.

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EDUCATION PROGRAM

The Council of Peanut Users has issued a call for action to the peanut growers of the United States.

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2- Peanut--producing States

The consumption of salted peanuts declined 52 percent in the same period. Peanut butter was down 18 percent.

The total of all peanuts used in edible products dropped 36 percent in the six-year period.

Total per capita consumption of edible peanut products diminished by nearly two pounds, or from about five and a quarter pounds in 1944-1945 to a per capita consumption of three and a third pounds in 1950-51.

In the latter years, Kuehn stated, peanut butter consumption declined almost a half a pound per person, as compared to an individual consumption of 2.14 pounds in 1944-1945.

The consumption of salted peanuts dropped from one and three-quarters pounds to .847 pounds. The consumption drop in peanut-candy products was about one-half a pound, from one and a quarter pounds to three-quarters of a pound.

ACREAGE DROPS

'During the period of declining peanut product consumption," Kuehn declared, 'there was a decline, also, in total peanut acreage, total production and total farm value of crops, but prices to farmers skyrocketed to all-time high levels.

'This means, obviously,' he emphasized, 'that the farmer, in trading his freedom for artificially high prices and government subsidy, is losing markets--perhaps permanently.'

'Food habits, once fixed, are hard to change, ' he said.

Meanwhile, manufacturers of peanut products, are fighting for survival, he added, and the budget-minded consumer is denied wholesome, energizing food and confections which must be sold at inflationary cost.

The Chicago meeting was the first of a series of five such regional meetings scheduled for August. Other sessions were scheduled for Boston on August 12; Philadelphia, August 13; San Francisco, August 19; and Cincinnati, August 26."

George L. Prichard

1-15-50

The consumption of salted peanuts declined 25 percent in the same period.

The total of all peanuts used in edible products dropped 36 percent in the six-

Total per capita consumption of edible peanut products diminished by nearly two pounds, or from about five and a quarter pounds in 1914-15 to a per capita consumption of three and a third pounds in 1929-30.

In the United States, consumption of peanuts, as compared to individual consumption of 2.14 pounds in 1914-15.

Consumption of salted peanuts dropped from one and three-quarters pounds to one-half pound. The consumption drop in peanut-candy products was about one-half pound.

There was a decline, also, in total peanut acreage, total production and total

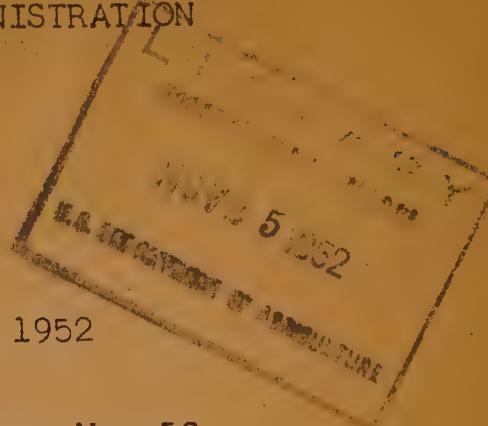
Food products, once fixed, are hard to change, he said.

which must be sold at inflationary cost.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Washington 25, D. C.

Fats and Oils Branch



September 26, 1952

1952 Peanut Memo No. 53

To: PMA State Committee Chairmen in:
Alabama, Florida, Georgia, South
Carolina, and Tennessee

Growers Peanut Cooperative, Franklin,
Virginia
GFA Peanut Association, Camilla,
Georgia

From: George L. Prichard, Director

Subject: Price tables for 1952 crop farmers'
stock peanuts marketed through the
Cooperative

We are sending you, under separate cover, tables for determining net advances to producers for Runner and Spanish types of peanuts marketed through the Cooperatives during the 1952-53 marketing season. In addition, two tables are included which indicate a short-cut method of determining prices for Virginia type peanuts marketed in your area.

These tables have been computed to eliminate detail work theretofore performed in the field and at receiving points. Each State office is requested to see that two copies are supplied each peanut producing County PMA Office, and the Association is requested to supply two copies to each authorized receiving agency for the Association.

If additional tables are needed, please let us know immediately and more will be sent.

1.956
A2P314
cop 2

United States Department of Agriculture
Production and Marketing Administration
Washington 25, D. C.

1952 Peanut Memo No. 54

October 3, 1952

To: Chairmen, State PMA Committees, Peanut States
Directors, PMA Commodity Offices, New Orleans,
Dallas, and San Francisco
Peanut Cooperative Associations

From: George L. Prichard, Director, Fats and Oils Branch

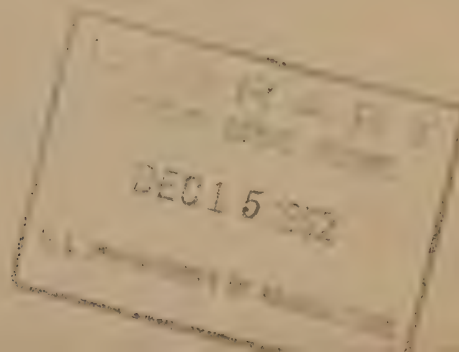
Subject: Amendments to 1952 Peanut Warehouse Contracts

Attached are copies of Amendments Nos. 1 to Peanut Receiving and Warehouse Contract (Cooperative), CCC Peanut Form 28, and PMA Storage Contract, CCC Peanut Form 29.

The amendment to CCC Peanut Form 28 changes the provisions of the original contract so as to provide for worm and weevil damage as a part of conditioning. It also includes method of computing guaranteed value for Virginia type peanuts.

In addition to worm and weevil damage provision as a part of condition, the amendment to CCC Peanut Form 29 also increases damage content from 3% to 7%, specifies the segregations of peanuts under contract and changes loading out requirements to conform to new segregations. The amendment also provides for allowance for extra large kernels for Virginia type peanuts.

Attachments



PEANUT RECEIVING AND WAREHOUSE CONTRACT

COOPERATIVE

THIS CONTRACT, made and entered into by and between _____

_____, (hereinafter referred to as the "cooperative"),

and _____ a _____ (Individual,

_____, with principal place of business at _____
(Partnership, Corporation)

_____, (hereinafter referred to as the "warehouseman");

WITNESSETH: That

The 1952 Crop Peanut Receiving and Warehouse Contract (Cooperative) (CCC Peanut Form 28) dated _____, 195____ (hereinafter called the "Contract"), entered into between the parties hereto, is hereby amended by mutual agreement of the parties, as follows:

1. Section 3 (a) (2) is hereby amended to read as follows:

(2) must contain 15% or less foreign material and 10% or less moisture.

2. Section 8 (e) is amended by the addition of the phrase "from any cause, including, without limitation, damage from worms or weevils" after the first word of the fourth line so that the first sentence reads as follows:

(e) Liability for loss or damage - The warehouseman, at his own expense, shall exercise the care of a reasonably prudent owner to keep all the peanuts which are stored in the warehouse from going out of condition from any cause, including, without limitation, damage from worms or weevils, and shall condition any such peanuts which are in danger of going out of condition to the extent the warehouse is equipped to do so.

3. Section 10 (b) (3) is hereby amended to read as follows:

(3) Guaranteed value.

The guaranteed value for Spanish, Runner and Valencia types of peanuts shall be an amount which is --

(1) 95 $\frac{1}{2}$ % of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 3% or less.

(ii) 95% of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 4%, 5% or 6%.

(iii) $94\frac{1}{2}\%$ of the "in value" if the percentage of foreign material in the weighted average grade used in determining the "in value" is 7% or above.

The guaranteed value for Virginia type peanuts shall be the same as for Spanish, Runner and Valencia types, less the sum of deductions made in accordance with section 6 (a) (1) (iv) of this contract.

Signed at _____ this _____
day of _____ 195__.

Firm

(Warehouseman)

By

(Title)

(Cooperative)

By

(Manager)

PEANUT STORAGE CONTRACT
(For "PMA - CCC" Approved Warehouses)

THIS CONTRACT, made and entered into this _____ day of _____
19_____, by and between Commodity Credit Corporation, (hereinafter referred to as
"CCC") and _____
a _____ with principal
(Individual, Partnership, Corporation)
place of business at _____ (hereinafter referred to as
the "warehouseman");

WITNESSETH: That

The 1952 Peanut Storage Contract (For "PMA - CCC" Approved Warehouses) (CCC
Peanut Form 29) dated _____ 19_____, (hereinafter called the "Contract"),
entered into between the parties hereto, is hereby amended by mutual agreement of
the parties as follows:

1. Paragraph 3 is hereby amended to read as follows:

3. PEANUTS SUBJECT TO THE TERMS OF THIS CONTRACT. Peanuts subject to
the terms of this contract shall be farmers stock peanuts accepted and stored by
the warehouseman, containing 15% or less foreign material, 7% or less damaged
kernels, and 10% or less moisture, for which the type and grade are determined by
the Federal-State Inspection Service at the time the peanuts are received into
the warehouse, and which are represented by a warehouse receipt described in
paragraph 6 of this contract, such peanuts being either (1) owned by or in the
possession of CCC or any other agency of the United States under general super-
vision of the Secretary of Agriculture, or in the possession of any lending
agency in connection with a loan made available by CCC, or (2) received for
storage in the warehouse from a producer who desires to deliver them to CCC under
a price support "Purchase Agreement" or use them as collateral security for a
loan made or made available by CCC, the terms of this agreement being applicable
to such peanuts as of the date of receipt from the producer.

2. Section (a) of paragraph 5 is hereby amended to read as follows:

(a) All peanuts of one type subject to the terms of this contract shall
be segregated from all other peanuts in the warehouse and shall in addition be
segregated according to percentage of damaged kernels as follows:

Segregation No. 1 --- Peanuts with 3% or less damage

Segregation No. 2 --- Peanuts with more than 3% damage

Peanuts stored in each segregation shall be stored commingled (and the responsibility of the warehouseman shall be as if stored commingled by segregations), unless CCC has specifically authorized in writing that all or any quantity of the peanuts subject to the terms of this contract be stored identity preserved.

3. Section (a) of paragraph 6 is hereby amended to read as follows:

(a) For each lot of peanuts received by the warehouseman for storage on a commingled basis the warehouseman shall upon receipt of the peanuts issue to the producer or agency entitled thereto a negotiable warehouse receipt in the form approved by CCC and shall show thereon the identity of the warehouse, the type, segregation and grade factors of the peanuts received, the gross weight, the net weight, and the "dollar value in" determined in accordance with paragraph 8.

Such receipt shall also contain the warehouseman's guarantee to deliver a quantity of peanuts of the same type and damage segregation, containing 15% or less foreign material, 10% or less moisture and damaged kernels not in excess of 3% in segregation No. 1 and 7% in segregation No. 2, for which the "dollar value out" is not less than the applicable "dollar value in" computed as shown below:

For Spanish, Runner, and Valencia type peanuts.

- (1) 95 $\frac{1}{2}$ % where the foreign material in is 1%, 2%, or 3%.
- (2) 95% where the foreign material in is 4%, 5%, or 6%.
- (3) 94 $\frac{1}{2}$ % where the foreign material in is 7% or above.

For Virginia type peanuts.

For Virginia type peanuts, subtract from the amount determined as in (1), (2), or (3) above, the smaller of (a) \$5.00 per net weight ton or (b) the premium for extra large kernels contained in the lot, calculated on the basis of the price support schedule.

4. The first sentence of paragraph 10 is amended by the addition of the phrase, "from any cause, including, without limitation, damage from worms or weevils" after the second word of line 4 so that the entire sentence reads as follows:

10. RESPONSIBILITY FOR CONDITION OF PEANUTS. The warehouseman, at his own expense, shall exercise the care of a reasonably prudent owner to keep all of the peanuts which are stored in the warehouse from going out of condition from any cause, including, without limitation, damage from worms or weevils, and shall condition any such peanuts which are in danger of going out of condition to the extent that the warehouse is equipped to do so.

5. Section (a) of paragraph 11 is hereby amended to read as follows:

(a) Upon the surrender by CCC or its agent of a warehouse receipt representing peanuts subject to the terms of this contract which are stored

- 3 -

commingled, the warehouseman shall load out peanuts of the same type and damage segregation containing 15% or less foreign material, 10% of less moisture and damaged kernels not in excess of 3% in segregation No. 1 and 7% in segregation No. 2.

COMMODITY CREDIT CORPORATION

By _____
(Title)

Date _____

In the presence of: _____
(Warehouseman)

By _____

(Title)

